



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

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Division Director

M/047/032

September 11, 1998

TO: Minerals File

FROM: Tony Gallegos, Reclamation Engineer *adg*

RE: Meeting Documentation, Uintah County, Uintah County Asphalt Mine, M/047/022, Uintah County, Utah

Date: August 25, 1998

Time: 1330 - 1430

Location: Division of Oil, Gas & Mining offices

Participants: Lonnie Hogan, Uintah County Road Dept.; Kate Erickson, Terry Gale, Uintah Special Service District; Mary Ann Wright, Wayne Hedberg, Tony Gallegos, DOGM

Purpose of Meeting: To hear permit concerns expressed by Uintah County in relation to the recent initiation of operations by Crown Asphalt Company and notice to the County to vacate the mine area.

Uintah County representatives requested this meeting with Division staff in order to respond to an August 19, 1998 letter from Crown exercising their option to assume all mining operations in the pit according to the Tar Sands Supply and Mining Agreement. This agreement was signed May 16, 1996 by representatives of Uintah County, Buena Ventura Resources Corporation, and Wembco, Inc. A copy of the Tar Sands Supply and Mining Agreement and Crown's August 19, 1998 letter were provided to the Division by the County (copies attached).

According to the Agreement, the County has two weeks from receipt of the Crown's written election to assume all operations on lands subject to the agreement. The County has no problem honoring the terms of the agreement as it pertains to operations within section 31. The County has concerns with the recent confusion regarding the status of their large mine permit with the Division. At a recent meeting in county Commission offices, they were informed that their permit was considered to be absorbed by the Crown permit and they no longer had an active permit to mine, however, the Division had billed the County for a large mine permit fee which they had already paid.

As a result of these events, the Division has now determined that Crown and Uintah County both have a valid mine permit with the Division. These two permits overlap in a number of areas.

Ideally, there would be one permit for the entire mine area as a result of a formal permit transfer. Such a permit transfer did not occur. Mineral rights to the asphalt were given to Crown and Uintah County under the terms of their lease agreements with Wembco, Inc. The Division has no jurisdiction regarding disputes over mineral rights. The Division has a concern with insuring that multiple operators within the same disturbed area follow the approved mining and reclamation plan. Due to the overlapping permits, the Division will be requesting supplemental information in the near future which describes the mining and reclamation plan for operations conducted by both Crown and the County in the near future.

In response to this meeting with County representatives, the Division agreed to send a letter to Crown and the County clarifying the status of both permits, and informing both operators that supplemental information will be required in a later Division letter.

Attachments: Tar Sands Supply and Mining Agreement; Crown Asphalt Corporation August 19, 1998 letter
cc: Division file M/047/032
Kate Erickson, Uintah Special Service District, (P.O. Box 144, Vernal, Utah 84078)

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